



## 85.58 Prepaid Expenses

### 85.58.10

July 1, 2001

### Prepaid expenses

85.58.10.a

Prepaid expenses are allowed in proprietary and trust fund type accounts only.

85.58.10.b

Prepaid expenses are those supplies and/or services (not inventory) acquired or purchased during an accounting period but not consumed or used at the end of the accounting period. (Refer to Subsection 85.65.50.a for an illustrative entry.)

85.58.10.c

The portion of supplies or services consumed or used during the period is to be recorded as an expense. (Refer to Subsection 85.65.50.b for an illustrative entry.) The balance is to remain recorded as an asset in GL Code 1510 "Prepaid Expenses" until consumed or used.